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October 29, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Program Modifications to Duke Energy Carolinas, LLC's Small Business
Energy Saver Program
Docket No. 2014-252-E
Request for Approval of Modifications to the Small Business Energy Saver
Program

Dear Ms. Boyd:

Duke Energy Carolinas, LLC ("DEC" or the "Company") seeks Commission approval to modify its Small Business Energy Saver Program (the "SBES Program"), a program originally approved by the Commission through Order No. 2014-556 issued in the above-referenced docket. As described below, the Company proposes to expand the SBES Program, which the Company believes will increase program participation and cost-effectiveness.

The SBES Program was proposed by the Company as an energy efficiency program in Docket No. 2014-252-E and received the Commission's approval through Order No. 2014-556. Eligibility for the program was expanded in 2016 through Order No. 2016-734. The purpose of the SBES Program is to reduce energy usage through the direct installation of energy efficiency measures in a non-residential segment of the market that does not take advantage of the Company's other non-residential energy efficiency programs. Participants in the SBES Program currently receive a free, no-obligation energy assessment of their facility, followed by a recommendation of energy efficiency measures along with the projected energy savings, costs of all materials and installation, and the up-front incentive amount from the Company. After receiving the results of the energy assessment, if the customer decides to move forward with the proposed energy efficiency project, the customer makes the final determination as to which measures will be installed. The measure installations are subsequently scheduled at a convenient time for the customer and performed by Company-authorized vendors.



To expand the SBES Program offering to more business customers who would benefit from the direct install, turn-key program model, the Company proposes to expand SBES Program availability to include all existing non-residential customer accounts, including those exceeding the current average annual demand limitation of 180 kW. Under the SmartPath™ option, eligible customers will choose from a published list of Company-authorized trade allies to perform an energy assessment at the eligible customer's facility at no charge to the customer. The Company-authorized trade ally will make recommendations for improved energy efficiency measures, produce a projected cost to complete the work, and may offer payment financing options. The trade ally will then install and commission the approved project.

DEC believes the proposed SBES Program expansion will significantly increase participation in the program and support the program's cost-effectiveness. The Company has modeled the Program's cost effectiveness results with the proposed modifications, and the results are provided in the following table:

Cost Effectiveness Test	Anticipated Cost Effectiveness Results
Utility Cost Test (UCT)	3.07
Total Resource Cost Test (TRC)	1.79
Rate Impact Measure Test (RIM)	0.90
Participant Test	2.85

These proposed modifications to the Small Business Energy Saver Program were introduced to and garnered support from stakeholders in the DSM/EE Collaborative.

Clean and redlined versions of the tariff are attached hereto as Exhibits A and B, respectively. In light of the program expansion, the Company also proposes to rename the "Small Business Energy Saver" program to the "Business Energy Saver" program as reflected in the tariff. The tariff modifications also include standard language permitting the Company to retain program benefits. See Order No. 2016-872 at 4, Docket No. 2013-298-E (Dec. 20, 2016); Order No. 2016-873 at 4, Docket No. 2015-163-E (Dec. 20, 2016). Upon Commission approval of these program modifications, the Company would file a compliance tariff with the Commission's E-Tariff System and continue to recover program costs through the Company's energy efficiency and demand side management ("EE/DSM") rates in accordance with the approved EE/DSM cost recovery mechanism.

Upon approval of the program by the Commission, the Company will complete its implementation plans and make the modified Program available to its customers in South Carolina as soon as reasonably possible.



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Kind regards,

Sam Wellborn

Enclosure

c w/enc: Parties of Record (via email)
Heather Shirley Smith, Deputy General Counsel (via email)

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